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- I. In Indonesia, the round table conference held in Djakarta from 10-15 September may have temporarily checked the drift toward fragmentation. But it made little, if any, progress in settling differences between the central government and the disaffected provinces. Like a dose of aspirin it reduced the temperature, but failed to cure the disease.
  - A. Final resolution merely approved the fuzzy recommendations of subcommittees dealing with various economic and political problems, welcomed a platitudinous Sukarno-Hatta statement promising to "cooperate with the entire Indonesian people," and stated that normal relations between Djakarta and provinces had been restored "on the basis of the constitution and existing law."
- II. Only optimistic statements on conference so far have come from Djakarta officials who called the meeting.
  - A. While admitting no concrete results had been achieved, they state conference was a "psychological" success in that it created an atmosphere favorable to settlement of specific problems in the future.
  - B. They also claim that the conference convinced Sukarno of the extent and genuineness of provincial grievances, and that he is now prepared to make concessions.
- III. The attitude of provincial leaders toward the conference result is highly skeptical.

- B. Sumatran leaders (Hussein, Barlian and Simbolon) say the conference will have been a useless exercise unless Djakarta moves quickly to give the provinces a better deal.
- C. Recent reports indicate that regional leaders intend to strengthen their autonomy if they don't get just about their own way.
- D. Sumitro, a former finance minister now acting as economic advisor to the regional leaders, reportedly is considering a new, direct approach for US assistance.

IV. Reservations of provincial leaders seem well-taken.

- A. Despite their joint statement, the prospects for restoration of Sukarno-Hatta cooperation--a major provincial objective--appears to be as dim as ever since Sukarno gave no indication of revising his concept of "guided democracy," repudiating his Communist support or giving Hatta a position of real leadership.
  - 1. At least two East Indonesian leaders reportedly believe that a renewed Sukarno-Hatta partnership is virtually impossible and are prepared to demand that Hatta form his own government.
  - 2. Hatta is probably not willing to do this yet.
- B. Handling of military problems also source of misgiving to provinces who want Chief of Staff Nasution removed and army used to suppress growing Communist power and influence.
  - 1. Sub-committee of conference on military affairs was unable even to come up with a statement of generalities.

2. "Solution" was to turn the whole thing over to a super-committee of 7 including Sukarno, Hatta, and Nasution.
3. Committee won't even get to work until Hatta comes back from Communist China late next month, and then progress is likely to be painfully slow because of the wide divergency of viewpoints.
- C. Finally, it remains questionable if Djakarta will be able-- even if willing--to meet provincial economic demands at the expense of Java's welfare.